

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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## MEMORANDUM

TO: Lawrence Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: December 12, 2016

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). This schedule assumes payments are made on August 1 of each fiscal year. The schedule is effective in FY17 (since the FY17 amount under the prior schedule was maintained) and is acceptable under Chapter 32.

Although we are approving this schedule, we would have preferred a schedule be adopted that more aggressively amortizes the unfunded actuarial liability. For the past three years, we have been recommending that systems determine schedules to be fully funded by FY35. This provides more flexibility in the event of a market downturn.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

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# LAWRENCE RETIREMENT SYSTEM

## FUNDING SCHEDULE

Fiscal Year	Normal Cost	Unfunded Liability	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution	Adjusted for August 1 Payment
2018	2,904,840	224,535,011	16,214,887	669,263	19,788,990	20,036,714
2019	3,028,296	224,464,933	16,802,389	669,263	20,499,947	20,756,572
2020	3,156,998	223,756,391	17,411,192	669,263	21,237,453	21,503,310
2021	3,291,171	222,336,952	18,042,069	669,263	22,002,502	22,277,936
2022	3,431,045	220,127,737	18,695,820	669,263	22,796,128	23,081,497
2023	3,576,865	217,042,891	19,373,276	669,263	23,619,404	23,915,078
2024	3,728,882	212,989,010	20,075,297	669,263	24,473,442	24,779,808
2025	3,887,359	207,864,525	20,802,775	669,263	25,359,397	25,676,853
2026	4,052,572	201,559,036	21,556,633	669,263	26,278,467	26,607,429
2027	4,224,806	193,952,589	22,337,828	669,263	27,231,897	27,572,794
2028	4,404,360	184,914,905	23,147,353	669,263	28,220,976	28,574,254
2029	4,591,546	174,304,538	22,545,789	669,263	27,806,597	28,154,688
2030	4,786,686	163,520,052	23,357,437	669,263	28,813,386	29,174,081
2031	4,990,121	151,025,218	24,198,305	669,263	29,857,688	30,231,456
2032	5,202,201	136,655,998	25,069,444	669,263	30,940,907	31,328,235
2033	5,423,294	120,234,513	25,971,944	669,263	32,064,501	32,465,894
2034	5,653,784	101,567,918	26,906,934	669,263	33,229,981	33,645,963
2035	5,894,070	80,447,210	27,875,583	669,263	34,438,916	34,870,033
2036	6,144,568	56,645,928	28,879,104	669,263	35,692,935	36,139,750
2037	6,405,712	29,918,752	29,918,752	669,263	36,993,727	37,456,826
2038	6,677,955	-	-	669,263	7,347,218	7,439,192

### Amortization of Unfunded Liability as of July 1, 2017

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2005	ERI2002-LHA	2,746	4.50%	24	4,866	11
2005	ERI 2002-VOC	19,415	4.00%	24	32,328	11
2005	ERI2002-City	405,220	4.00%	24	674,721	11
2005	ERI2003-City	129,504	4.00%	24	215,634	11
2005	ERI2003-VOC	4,729	4.00%	24	7,874	11
2018	Fresh Start	15,279,464	3.60%	20	15,279,464	20

### Notes on Amortization of Unfunded Liability

**Year** is the year the amortization base was established. **Type** is the reason for the creation of the base. **Original Amortization Amount** is the annual amortization amount when the base was established. **Percentage Increasing** is the percentage that the Original Amortization Amount increases per year. **Original # of Years** is the number of years over which the base is being amortized. **Current Amortization Amount** is the amortization payment amount for this year. **Years Remaining** is the number of years left to amortize the base.